

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:

FTX TRADING LTD., *et al.*,¹

Debtors.

Chapter 11

Case No. 22-11068 (JTD)

(Jointly Administered)

Ref. Nos. 233, 487, 1342

**DECLARATION OF THOMAS P. GALLAGHER
IN SUPPORT OF ENTRY OF THE ORDER (I) APPROVING THE LEDGERX
BUSINESS PURCHASE AGREEMENT, (II) APPROVING THE SALE OF THE
LEDGERX BUSINESS FREE AND CLEAR OF ALL LIENS, CLAIMS, INTERESTS
AND ENCUMBRANCES, (III) AUTHORIZING ASSUMPTION AND ASSIGNMENT
OF CERTAIN EXECUTORY CONTRACTS AND (IV) GRANTING RELATED RELIEF**

I, Thomas P. Gallagher hereby declare as follows:

1. I am the Chairman and Chief Executive Officer of M 7 Holdings, LLC, a Delaware limited liability company (“Buyer”) and the Chairman and Chief Executive Officer of Miami International Holdings, Inc., a Delaware corporation (“Guarantor”).

2. I have held the title of Chairman and Chief Executive Officer of Buyer since December 9, 2022, and the title of Chairman of Guarantor since 2008 and Chief Executive Officer of Guarantor since 2012.

3. I submit this declaration (this “Declaration”) in support of the *Motion of Debtors for Entry of Orders (I)(A) Approving Bid Procedures, Stalking Horse Protections and the Form and Manner of Notices for the Sale of Certain Businesses, (B) Approving Assumption and Assignment Procedures and (C) Scheduling Auction(s) and Sale Hearing(s) and*

¹ The last four digits of FTX Trading Ltd.’s and Alameda Research LLC’s tax identification number are 3288 and 4063 respectively. Due to the large number of debtor entities in these Chapter 11 Cases, a complete list of the Debtors and the last four digits of their federal tax identification numbers is not provided herein. A complete list of such information may be obtained on the website of the Debtors’ claims and noticing agent at <https://cases.ra.kroll.com/FTX>.

*(II)(A) Approving the Sale(s) Free and Clear of Liens, Claims, Interests and Encumbrances and
(B) Authorizing Assumption and Assignment of Executory Contracts and Unexpired Leases*

[D.I. 233] (the “Motion”)² and entry of an order (a) approving (i) Debtor Ledger Holdings Inc.’s (“Seller”) entry into, and performance under, the Interest Purchase Agreement, dated as of April 25, 2023 (the “Purchase Agreement”), by and among Seller, Buyer and, solely for purposes set forth therein, Guarantor, whereby Seller agreed, among other things, to sell 100% of the membership interests of non-Debtor LedgerX LLC (“LedgerX”) (such equity interests, the “LedgerX Interests”) to Buyer, to assume and assign to Buyer the contracts on Section 1.6(a) of the Seller Disclosure Schedule (as defined in the Purchase Agreement) (the “Assumed Contracts”), to assign to LedgerX the contracts listed on Section 1.6(j) of the Seller Disclosure Schedule (the “Non-Executory Assigned Contracts” and, together with the Assumed Contracts, the “Assigned Contracts”) and to sell the claims set forth in Section 5.3(a) of the Purchase Agreement (the “Acquired Claims”) and the claims set forth in Section 5.3(b) of the Purchase Agreement (the “Coverage Claims” and, together with the LedgerX Interests, the Assigned Contracts and the Acquired Claims, the “LedgerX Business”) on the terms and subject to the conditions set forth in the Purchase Agreement (the “Sale Transaction”) and (ii) the Sale Transaction and (b) granting related relief.

4. Except as otherwise indicated, all facts set forth in this Declaration are based upon (i) my personal knowledge, information and belief, or my opinion based upon experience, knowledge and information concerning Buyer and Guarantor, and the negotiations relating to the Sale Transaction and the Purchase Agreement, and/or (ii)

² Capitalized terms used but not otherwise defined herein shall have the meanings given to them in the Motion.

information supplied by employees of Buyer and Guarantor working with me and/or under my direct supervision in connection with the negotiations relating to the Sale Transaction and the Purchase Agreement.

5. I am over the age of 18 and authorized to submit this Declaration on behalf of Buyer and Guarantor. I am not being compensated for this testimony other than through regular compensation in connection with my employment with Buyer and Guarantor; I received no payments specifically payable on account of this testimony. If I were called upon to testify, I could and would testify competently to the facts set forth in this Declaration.

6. Buyer negotiated the Sale Transaction with the Seller, the Debtors, and the Seller's and Debtors' financial advisors in good faith and from arms' length bargaining positions. The Purchase Agreement and Sale Transaction were negotiated, proposed and entered into by the Buyer and Guarantor without collusion or fraud.

7. Buyer understood that the Debtors were free to negotiate with any other party interested in acquiring the LedgerX Business during the time Buyer, Seller, and the Debtors were negotiating the Sale Transaction and Purchase Agreement. Buyer and Guarantor have not engaged in any conduct that could, to my knowledge and understanding, result in the avoidance of the Sale Transaction or assessment of damages under section 363(n) of the Bankruptcy Code. Buyer and Guarantor have not acted in a collusive manner with any person, and the purchase price for the LedgerX Business was not controlled by any agreement among Buyer and any other bidders or potential bidders.

8. In connection with the submission of its bid for the LedgerX Business, Buyer submitted to Seller and the Debtors certain information relative to its ability

to comply with section 365 of the Bankruptcy Code with respect to the Assumed Contracts. I hereby confirm that Buyer has the resources, ability and intent to make payment of all Cure Costs (as defined in the Purchase Agreement), if any, in respect of the Assumed Contracts, and to perform fully the obligations of the applicable Debtors, from and after the date of assignment with respect to the Assumed Contracts.

9. Moreover, Buyer is a wholly-owned subsidiary of Guarantor.

Guarantor is an established industry participant with significant experience working and contracting with vendors, customers and counterparties similar to LedgerX LLC's. Guarantor is one of the largest global derivatives exchange operators as measured by the total number of futures and options contracts traded on exchanges as reported by the Futures Industry Association, and is the owner of markets including: U.S. options; U.S. equities; U.S. futures and options on futures; and international listings. Its operations and its need to ensure and protect its reputation together with its track record of operating profitably provides counterparties with a level of adequate assurance of future performance and protection against subsequent default under the Assumed Contracts that meets the requirements of section 365 of the Bankruptcy Code.

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge, information and belief.

Dated: April 25, 2023


Thomas P. Gallagher
Chairman and Chief Executive Officer
M 7 Holdings, LLC and Miami International
Holdings, Inc.